

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

The Plaintiffs Gary G. Jacobs and The Laredo National Bank together with the named Defendant Donald E. Schulz, jointly move this Court for entry of a judgment and permanent injunction. This motion is made pursuant to Local Rule 7.1 and in accordance with a settlement among the parties, which resolves all pending claims against Donald E. Schulz in this case. In support of this motion, the parties jointly provide the Court with the attached brief.

Respectfully submitted,

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**Brief**

On August 15, 2000, the Plaintiffs filed a multi-count complaint against, *inter alia*, Defendant Donald E. Schulz (“Schulz”). Thereafter, Schulz answered the complaint and interposed a multi-count counterclaim against the Plaintiffs, which the Magistrate Judge subsequently dismissed. The parties have engaged in extensive discovery that included numerous depositions of government officials. The discovery phase has resulted in extensive motion practice concerning several complex legal issues.

The Plaintiffs and Schulz have vigorously litigated this case. They have engaged trial counsel to protect and promote their interests, expending considerable resources in prosecuting and defending this action.

Recently, the parties have engaged in extensive settlement negotiations in a good faith effort to resolve this case prior to trial. As a result of numerous meetings and consultations, the

parties have reached a settlement which is contingent upon the Court entering a judgment and permanent injunction, as contemplated by the parties.

A permanent injunction will prohibit Schulz from further disseminating the “draft White Tiger Executive Summary”, the document at the heart of this litigation. There is no dispute among the parties that this document should not have been publicly disclosed nor is there any dispute that the further disclosure of that document with its allegations and innuendo unsupported by valid evidence will cause The Laredo National Bank and Gary G. Jacobs continued irreparable harm. The federal government has also sought to prevent disclosure and dissemination of this document. As the Stipulation of Facts clearly show, the public interest would be best served by the entry of this permanent injunction.

In essence, the settlement among the parties provides that in return for Schulz not contesting counts V (commercial disparagement) and VI (invasion of privacy) of the complaint, the Plaintiffs will dismiss the remaining counts. The parties acknowledge that the stipulated facts are sufficient to prove the elements of counts V (commercial disparagement) and VI (invasion of privacy) as to Plaintiffs The Laredo National Bank and Gary G. Jacobs.

As to counts V (commercial disparagement) and VI (invasion of privacy), the parties have further agreed to the entry of a judgment for damages in the amount of eight million (\$8,000,000.00) dollars. The Plaintiffs have agreed that no one will attempt to execute, enforce or collect that judgment. The permanent injunction further provides for liquidated damages of eighty-eight million (\$88,000,000.00) dollars. The settlement also provides for a liquidated damages amount of eighty-eight million (\$88,000,000.00) dollars in the event Schulz should violate its terms. Schulz does not dispute that the liquidated damages amount is appropriate and reasonable because of the grave harm that will result to the Plaintiffs if the Court’s injunction is violated or if the settlement is breached.

In light of the facts of the case and the cost of continuing litigation, the parties have jointly concluded that the settlement, together with this Court's entry of a judgment and permanent injunction best serves their respective interests.

### **Conclusion**

For the reasons set forth herein, the parties request the entry of a judgment and permanent injunction by the Court.

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